

Committee on Resources

Subcommittee on Energy & Mineral Resources

Statement

OPENING STATEMENT
Congressman Chris John
House Resources Subcommittee on Energy and Mineral Resources
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Hearing on H.R. 3432
February 15, 2000

Mr. Chairman and Members of the Subcommittee, I would like to thank the Committee for scheduling this hearing on H.R. 3432, which I introduced with my colleague Congressman Billy Tauzin on November 17, 1999. This legislation seeks to compensate, once and for all, the State of Louisiana and its lessees for the improper drainage of natural gas by federal lessees in the West Delta field during the 1980's.

I am confident that our witnesses today will highlight the main facts of the West Delta dispute and generate a healthy discussion for members on the relationship between this case and the 1986 amendments to section 8(g) of the OCS Lands Act. Instead, I would like to quickly highlight three reasons why I believe it is incumbent on this Congress to pass H.R. 3432.

First, Louisiana has been a true partner of the federal government in developing the hydrocarbon resources in the OCS to help meet our nation's energy needs. It doesn't seem right to encourage policies that allow one partner to knowingly and willfully take from the other, without compensation. The equitable solution to this dispute is to pay Louisiana and its lessee for lost revenues resulting from the failure to unitize the West Delta field.

Second, this Congress should be promoting the continued cooperation between the states and the federal government in developing our nation's offshore resources. At the West Delta field, the State of Louisiana offered and urged cooperation, but it never occurred. Passage of H.R. 3432 would reinforce a policy of cooperative development of OCS oil and gas reserves when cooperation is available.

Finally, it is a step backward in our efforts at environmental protection and resource conservation in the OCS to promote the drilling of unnecessary wells. In 1985, when the Governor of Louisiana requested that the MMS unitize the West Delta field, that unitization should have occurred. It made sense then to unitize the field, and it makes equally good sense today. This committee should send a clear and simple message that the decision not to unitize was incorrect and the federal government is expected to act in a manner consistent with the enforcement of sound conservation policies.

I very much look forward to the testimony of our witnesses today, for they represent the three major parties involved in this dispute. In particular, I would like to extend a special welcome to the Louisiana Secretary of Natural Resources, Jack Caldwell. Secretary Caldwell is becoming a regular fixture in matters before this Committee and I appreciate his presence here today on this issue which is of great importance to our State.

I do not want to take up any more time than is necessary to get this hearing underway. Numerous attempts over the past decade have been made to bring closure to this matter -- without success. I am ever hopeful that today will mark the first step at a final effort to remove this item from the annual "to do" list of the Louisiana congressional delegation.

Thank you, Mr. Chairman.

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